

HOME AND COMMUNITY-BASED SERVICES and  
TEXAS HOME LIVING  
**DAY HABILITATION SERVICES**  
ATTENDANT COMPENSATION RATE ENHANCEMENT

ACCOUNTABILITY REPORT – MULTIPURPOSE (ARM)

2015 ARM Worksheet B and Instructions

NOTE: This worksheet is provided for your own information and should be retained in your files for future reference.

**Do not return.**

For assistance with completing the accountability report, contact the Rate Analyst for this program. The contact information for the Rate Analyst can be found on the following webpage: <http://www.hhsc.state.tx.us/rad/long-term-svcs/contacts.shtml>

A project of  
the Health and Human Services Commission

INSTRUCTIONS  
HOME AND COMMUNITY-BASED SERVICES (HCS) and  
TEXAS HOME LIVING (TxHmL)  
**DAY HABILITATION SERVICES**  
Attendant Compensation Rate Enhancement  
**ARM Worksheet B**

**PURPOSE**

To inform providers about the HCS/TxHmL Day Habilitation Services spending requirements and potential differences between residential costs and residential revenues under the Attendant Compensation Rate Enhancement for their component code. The information derived by using the worksheets can be used by providers to see if their attendant compensation cost per unit of service is greater than or equal to the required 90% DADS attendant participating rate.

**REPORTING PERIOD**

The reporting period may be any period of time between January 1, 2014 and December 31, 2015, during which the provider was a participant in the Rate Enhancement. **The reporting period is specified in the Rate Analysis letter requesting the ARM and does not exceed 12 months.**

**CONDITIONS OF PARTICIPATION FOR DAY HABILITATION**

As per 1 TAC §355.112(ff)(1) A provider who provides day habilitation in-house or who contracts with a related party to provide day habilitation will report job trainer and job coach compensation and hours on the required cost report items (e.g., hours, salaries and wages, payroll taxes, employee benefits/insurance/workers' compensation, contract labor costs, and personal vehicle mileage reimbursement). Day habilitation costs cannot be combined and reported in one cost report item. (2) A provider who contracts with a non-related party to provide day habilitation will report its payments to the contractor in a single cost report item as directed in the instructions for the cost report or Attendant Compensation Report as described in subsection (h)(2) and (3) of this section. HHSC will allocate 50 percent of reported payments to the attendant compensation cost area for inclusion with other allowable day habilitation attendant costs in order to determine the total attendant compensation spending for day habilitation services as described in subsection (s) of this section.

Participating providers with contracted related-party day habilitation must capture and report properly-allocated attendant hours, salaries, wages, taxes and benefits as if the staff were employees of the participating providers. Items 59 and 60 are only for capture of the hours and costs of individuals working for the participating provider as attendant contract labor and paid an hourly rate. Items 67 and 68 are for reporting the days and costs for day habilitation services contracted to a third-party individual or organization and paid as a daily rate.

This means that the attendant costs for a related-party contracted day habilitation will continue to be reported as if they were staff of the provider, as they have been for many years.

For a nonrelated-party contracted day habilitation, for providers participating in the Day Habilitation Services Attendant Compensation Rate Enhancement, the provider is responsible for collecting the properly allocated hours, wages, taxes, benefits, miles and mileage reimbursement related to the services to their consumers with services being reported in this cost report. It is the provider's responsibility to assure that the allocations are done correctly according to acceptable

allocation methodology and that all necessary documentation exists and will be accessible to an auditor to support the hours and costs reported in the ARM.

### **INCLUDE ALL HCS and TxHmL CONTRACTS IN YOUR COMPONENT CODE**

A single HCS and TxHmL Day Habilitation Services Attendant Compensation Rate Enhancement Enrollment Worksheet should be completed for all HCS and TxHmL contracts operating under your component code. Costs and units of service for HCS and TxHmL contracts operating under the component code should be aggregated and reported on this single worksheet.

### **WORKSHEET FUNCTIONALITY**

The enrollment worksheets are fully functional and if completed on-line will perform all required calculations for you. If you choose to print the worksheets and fill them out by hand, you will be responsible for the accuracy of all mathematical calculations.

### **DEFINITIONS**

***ATTENDANT*** – the unlicensed care giver providing direct assistance to consumers with Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs). Attendants for day habilitation include direct care trainers and day habilitation drivers in the HCS and TxHmL programs.

#### **The attendant may not perform any nonattendant functions.**

Attendants do not include the director, administrator, assistant director, assistant administrator, clerical and secretarial staff, professional staff, other administrative staff, licensed staff, attendant supervisors, cooks and kitchen staff, maintenance and grounds keeping staff, activity director, Qualified Mental Retardation Professionals (QMRPs), assistant QMRPs, direct care worker supervisors, direct care trainer supervisors, job coach supervisors, foster care providers, and laundry and housekeeping staff.

***ATTENDANT CONTRACT LABOR*** – non-staff attendants. Non-staff refers to personnel who provide services to the day habilitation center intermittently, whose remuneration (i.e., fee or compensation) is not subject to employer payroll tax contributions and who perform tasks routinely performed by employees.

***COMPENSATION*** –Attendant compensation is the allowable compensation for attendants defined in 1 TAC §355.103(b)(1), §355.112 and §355.722 and required to be reported as either salaries and/or wages, including payroll taxes and workers' compensation, or employee benefits. Benefits required by §355.103(b)(1)(A)(iii) to be reported as costs applicable to specific cost report line items are not considered attendant compensation. Examples of such costs are the provider's unrecovered cost of meals provided to attendants; the provider's unrecovered cost of uniforms provided to attendants and employee relations expenses such as gift cards given to employees, and the cost of employee parties, plaques, etc.

Allowable contract labor costs are defined in 1 TAC §355.103(b)(2)(C).

Mileage reimbursement paid to the attendant for use of his or her personal vehicle which is not subject to payroll taxes is considered compensation for purposes of the Attendant Compensation Rate Enhancement.

## WORKSHEET B

NOTE: Round all monetary amounts in Step 1 to the nearest whole dollar (with no zeroes included for “cents”). For example, \$25.49 should be rounded to \$25 and \$25.50 should be rounded to \$26.

If day habilitation services are provided by a related-party contractor or non-related-party contractors, the terms “provider” and “employer” as used for Boxes A through J below, refer to the day habilitation contractor.

### STEP 1 – Enter required data.

**Units of service are the units of HCS/TxHmL service provided during the reporting period, not the units of day habilitation provided.**

See the Reporting Period section for information on selecting a reporting period.

**Box A – Day Habilitation Attendant Salaries and Wages** (including drivers): report accrued salaries and wages for day habilitation attendants and drivers employed by the provider and for whom FICA contributions are made. Salaries and wages include overtime, cash bonuses and cash incentives paid from which taxes are deducted. Drivers and staff members functioning in more than one capacity are not considered attendants for HCS and TxHmL day habilitation attendant compensation rate enhancement purposes and their salaries and wages should **not** be included on this worksheet. See Definitions section for more information on who qualifies as an attendant. *Sum salaries/wages from ARM report items 74 and 78. Enter result in Box A*

**Box B – FICA and Medicare:** report employer-paid FICA and Medicare taxes for day habilitation attendants and drivers. FICA and Medicare taxes may be allocated based upon percentage of eligible salaries. *From ARM report item 81.*

**Box C – State and Federal Unemployment:** report both federal (FUTA) and state (TUCA) employer-paid day habilitation attendant and driver unemployment expenses. Unemployment expenses may be allocated based upon percentage of eligible salaries. *From ARM report item 83.*

**Box D – Workers’ Compensation Insurance Premiums:** report premiums for workers’ compensation insurance, industrial accident policies and other similar types of coverage for employee on-the-job injuries for day habilitation attendants and drivers. Workers’ compensation premiums may be allocated based upon percentage of eligible salaries. *Partial entry from ARM report item 86.*

**Box E – Workers’ Compensation Paid Claims:** report medical claims paid for employee on-the-job injuries for day habilitation attendants and drivers. Paid claims may be allocated based upon percentage of eligible salaries or direct costed. *Partial entry from ARM report item 86.*

**Box F – Employee Health Insurance:** report employer-paid health insurance for day habilitation attendants and drivers. **Employer-paid health insurance premiums must be direct costed.** Paid claims may be allocated based on percentage of eligible salaries or direct costed. *Partial entry from ARM report item 86.*

**Box G – Employee Life Insurance:** report any employer-paid life insurance for day habilitation attendants and drivers. **Employer-paid life insurance costs must be direct costed.** *Partial entry from ARM report item 86.*

**Box H – Other Employee Benefits:** report any employer-paid disability insurance and retirement contributions for day habilitation attendants and drivers. **These benefits must be direct costed.** The contracted provider's unrecovered cost of meals and room and board furnished to direct care employees, uniforms, job-related training reimbursements and job certification renewal fees are **not** to be reported as Other Employee Benefits. *Partial entry from ARM report item 86.*

**Box I – Mileage Reimbursement:** report the mileage reimbursement paid to a day habilitation attendant for use of his/her personal vehicle which is not subject to payroll taxes. The current maximum allowable mileage reimbursement is 56 cents per mile from 1/1/14 through 12/31/14 and 57.5 cents per mile beginning 1/1/15. *From ARM report item 85.*

**Box J – Day Habilitation Attendant Contract Labor and 3<sup>rd</sup>-Party Contract** : report the total costs for contract labor functioning as day habilitation attendants. See the Definitions section for a definition of reportable contract labor. *From ARM report items 80 and 88.*

**Box K – Total Day Habilitation Attendant Cost** – sum boxes A through J.

**Box L – HCS LON1 Day Habilitation Units of Service:** report the total number of day habilitation units during the reporting period for HCS LON1 consumers receiving day habilitation services.

**Box M – HCS LON5 Day Habilitation Units of Service:** report the total number of day habilitation units during the reporting period for HCS LON5 consumers receiving day habilitation services.

**Box N – HCS LON8 Day Habilitation Units of Service:** report the total number of day habilitation units during the reporting period for HCS LON8 consumers receiving day habilitation services.

**Box O – HCS LON6 Day Habilitation Units of Service:** report the total number of day habilitation units during the reporting period for HCS LON6 consumers receiving day habilitation services.

**Box P – HCS LON9 Day Habilitation Units of Service:** report the total number of day habilitation units during the reporting period for HCS LON9 consumers receiving day habilitation services.

**Box Q – TxHmL Day Habilitation Units of Service:** report the total number of day habilitation units during the reporting period for TxHmL consumers receiving day habilitation services.

**Box R – Private and Other Day Habilitation Units of Service:** report the total number of day habilitation units during the reporting period for all other consumers of any of the contracts included under the component code for which this worksheet is being completed (e.g., private pay individuals, individuals receiving respite care and individuals with private insurance). Include here any units of service you provided for which you may never be reimbursed (i.e., non-billable units).

**Box S – Total Units of Service:** sum boxes L through R.

NOTE: All monetary calculations in Steps 2 – 5 should be carried out to **two decimal places**. If you complete the spreadsheets on your computer rather than on printed sheets, many of these calculations will occur automatically after you enter values.

**STEP 2 – Calculate average day habilitation attendant cost per unit of service.**

Divide total day habilitation attendant costs from Box K by total units of service from Box S. Enter the result in Box T. This is your estimated day habilitation attendant cost per unit of service during the reporting period.

**For Step 3, refer to the HCS and TxHmL Habilitation Attendant Compensation Payment Rate Component rates effective 9/1/11 included on page 6 of Worksheet B to obtain the day habilitation attendant rates for each level of participation in the Attendant Compensation Rate Enhancement for the rate period. If you do not know your level of participation, go to: <http://www.hhsc.state.tx.us/rad/long-term-svcs/hcs/2014-hcs-alert-awards.shtml>**

**STEP 3 – Calculate the total estimated day habilitation Medicaid attendant revenue for your component code at its assigned level during its selected reporting period.**

- A. For each program and LON, enter in Column A the Medicaid day habilitation units of service provided during your selected reporting period. Do this separately for the time in your reporting period between **January 1, 2014** and **August 31, 2014** (Step 3a, page 2), between **September 1, 2014** and **August 31, 2015** (Step 3b, page 3) and between **September 1, 2015** and **December 31, 2015** (Step 3c, page 4). Do not include “Private and Other” units of service.
- B. For each program and LON, multiply the units of service from Column A by the associated day habilitation Medicaid attendant rate component from for your assigned level from Column B. The rates are on Page 6. Enter the products in Column C.
- C. Sum the units of service in Column A. Enter the results in Boxes U, W and Y.

D. Sum the contents of Column C. Enter the results in Boxes V, X and Z.

**STEP 4 – Determine your weighted average day habilitation attendant rate component per unit of service.**

- 5a. Calculate the total Medicaid day habilitation attendant compensation revenue by summing Boxes V (page 2), X (page 3) and Z (page 4). Enter the sum in Box AA.
- 5b. Calculate the total Medicaid day habilitation units of service by summing Boxes U (page 2), W (page 3) and Y (page 4). Enter the sum in box ZBB.
- 5c. Calculate the estimated weighted average day habilitation attendant compensation rate component per unit of service by dividing Box AA by Box BB. Enter the result in Box CC.

**STEP 5 – Determine your day habilitation attendant spending requirement for your component code's assigned Level.**

- 6a. Enter in Column A, your estimated weighted average Medicaid day habilitation attendant rate component per unit of service from Box CC, Step 5.
- 6b. Multiply Column A by 0.90 and enter the result in Column B.
- 6c. Enter in Column C, your current day habilitation attendant cost per unit of service from Box T, Step 2.
- 6d. Subtract Column C from Column B. If the result is less than zero, set the result equal to zero. Enter the result in Column D.
- 6e. Understanding Column D. If the figure in Column D is zero, then it is estimated that you have met your spending requirements and will not have a recoupment due. This may change based on an audit of the ARM report or may be inaccurate if you have entered information into the spreadsheet incorrectly.

If the figure in Column D is greater than zero, then it is estimated that you have not met your spending requirement and there will be a recoupment due. This may change and become a greater or lesser figure based on an audit of the ARM report or may be inaccurate if you have entered information into the spreadsheet incorrectly.

**STEP 7 – Check all calculations to insure accuracy.**